



REMARKS

This is in response to the Office Action dated August 9, 2006. New claim 7 has been added. Thus, claims 1-7 are currently pending.

Claim 1 stands rejected under Section 102(e) as being allegedly anticipated by Kudo. This Section 102(e) rejection is respectfully traversed for at least the following reasons.

Claim 1 requires "gradation reference potential generating means including two series of two variable resistors and a ladder resistor located between the two variable resistors, the ladder resistor *outputting gradation reference potentials of a required number of gradation levels*, each of the series dividing a power source voltage." Kudo fails to disclose or suggest this subject matter of claim 1.

Kudo in Fig. 3 teaches a set of resistors 322, 324 and a resistance ladder 326 therebetween. However, in Kudo, the ladder resistor 326 between the two variable resistors does *not* serve to output gradation reference potentials of a required number of gradation levels as required by claim 1. Instead, the ladder resistor 326 in Kudo apparently serves to output reference voltages of another separate resistor. Because the ladder resistor 326 in Kudo does not output gradation reference potentials of a required number of gradation levels, it cannot be the ladder resistor required by claim 1. The Section 102(e) rejection is fundamentally flawed in this respect.

It is noted that output section resistance ladder 315, while outputting a desired number of gray scale levels of voltages (e.g., col. 7, lines 55-59), is not located between two variable resistors and is thus also unrelated to the invention of claim 1.

Claim 7

Claim 7 requires that “the resistance value setting data being for setting resistance values of the variable resistors *so that when the display is in the transmissive display mode the variable resistors are set using a first set of values, but when the display is in the reflective display mode the variable resistors are set using a different second set of values.*” For example and without limitation, see Fig. 5(b) and pg. 21, lines 1-17 of the instant specification. Kudo fails to disclose or suggest the above italicized feature of claim 7. While Kudo allegedly discloses adjusting for different gray scale levels, there is no disclosure or suggestion in Kudo of a display having both a transmissive mode and a reflective mode of operation, where variable resistors are set to a first set of values during the transmissive mode and to a second different set of values during the reflective mode as required by claim 7. Kudo is entirely unrelated to these features of claim 7.

Claim 4

Claim 4 requires “gradation reference potential generating means including a group of output terminals whose voltages are determined in accordance with a voltage division ratio of one ladder resistor, so as to output *gradation reference potentials* of a number *greater than* a required number of gradations.” Again, the ladder resistor 326 in Kudo between the two variable resistors does *not* serve to output gradation reference potentials of a number greater than a required number of gradations as required by claim 4. Thus, the ladder resistor 326 in Kudo cannot be the claimed ladder resistor or gradation reference potential generating means of claim 4.

Furthermore, Kudo also *fails* to disclose or suggest outputting gradation reference potentials of a number *greater than* a required number of gradations as required by claim 4.

Claim 4 defines over Kudo for at least the two above reasons.

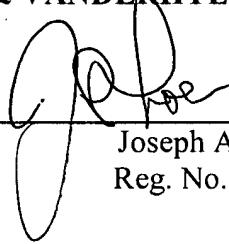
Conclusion

It is respectfully requested that all rejections be withdrawn. All claims are in condition for allowance. If any minor matter remains to be resolved, the Examiner is invited to telephone the undersigned with regard to the same.

Respectfully submitted,

NIXON & VANDERHYE P.C.

By: _____



Joseph A. Rhoa
Reg. No. 37,515

JAR:caj
901 North Glebe Road, 11th Floor
Arlington, VA 22203-1808
Telephone: (703) 816-4000
Facsimile: (703) 816-4100